

# STATE OF IDAHO DEPARTMENT OF INSURANCE 700 W. STATE STREET

BOISE, IDAHO 83720

## BULLETIN NO. 80-6

TO: ALL SURPLUS LINES COMPANIES

WRITING BUSINESS IN IDAHO

FROM: MONROE C. GOLLAHER, DIRECTOR

DEPARTMENT OF INSURANCE

SUBJECT: RETURN OF UNEARNED PREMIUMS

It has come to the attention of this Department that some insurance companies are taking an excessive amount of time in returning the unearned premiums to their insureds. All insurance companies are hereby put on notice that this Department will henceforth consider that a company will be in violation of Chapter 13, Title 41 of the <u>Idaho Code</u> if they take a longer period than the following to return the unearned premiums justly due their insureds:

## 1. CASH DEPOSITS:

Some insurance companies are requiring that a cash deposit must be submitted with an application to their company for insurance. If the insurance company refuses to insure the coverage desired, then this cash deposit must be returned with the refusal notice.

### CANCELLATION OF INSURANCE CONTRACTS OR BINDERS IN MID-TERM:

In the event either the insurer or the insured sends notice of cancellation, the proper return premiums must be returned to the insured within 30 days of the date that the insurance company was notified or decided to cancel the policy and issue the cancellation notice. Please note that this is not the same period of time as 30 days from the cancellation date.

#### 3. WHEN AN AUDIT MUST BE PERFORMED:

In the event an audit must be performed to compute the unearned premium, such premium must be returned within 60 days from the date the insurer concluded to cancel or was notified by the insured that the policy should be cancelled.

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MONROE C. GOLLAHER

Director